

COLLEGE SAVINGS PLANS OF NEVADA
COMPREHENSIVE INVESTMENT PLAN

AND

INVESTMENT POLICIES FOR THE
NEVADA HIGHER EDUCATION PREPAID TUITION PROGRAM
NEVADA COLLEGE SAVINGS PROGRAM

Board of Trustees
College Savings Plans of Nevada

August 19, 2009

I. Comprehensive Investment Plan: College Savings Plans of Nevada

A. PLAN PURPOSE:

In accordance with Nevada Revised Statutes ("NRS") Chapter 353B, and Section 529 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), the College Savings Plans Of Nevada ("College Savings Plans") provide families with qualifying college savings programs with the objective of saving for higher education on a tax-advantaged basis. "NRS" in the context of this document, when used in general terms rather than specific statute citations, shall include any related regulations promulgated as part of the Nevada Administrative Code. Any additions/revisions to regulations will be at the initiative of the State Treasurer, with the approval of the Board of Trustees of the College Savings Plans ("Board").

This Comprehensive Investment Plan ("Investment Plan") describes the College Savings Plans. The investment policies and policy-related documents ("Investment Policy(ies)") attached, if any, provide more focused guidelines to enable College Savings Plans objectives to be pursued in a prudent manner. This Investment Plan is intended to:

1. Articulate the objectives of the College Savings Plans;
2. Identify the roles of specific entities having program management and fiduciary responsibilities in administering the College Savings Plans;
3. Include policies regarding permitted investments, benchmarks, asset allocation strategies, etc;
4. Establish the reporting requirements mandated by the Board;
5. Establish objectives for the process of prudently monitoring and evaluating the performance of investments and of contractors that provide investment management services to the College Savings Plans;
6. Establish objectives for structuring investment options offered in the College Savings Plans;
7. Formulate policies for selecting appropriate Investment Managers (described below), and the selection and design of investment vehicles within the framework of the NRS, the Code, and the respective policies; and
8. Meet the various educational savings needs of purchasers, account owners, and beneficiaries (each as defined in College Savings Plan documents) by providing a range of investment alternatives which strive to balance risk and reward objectives.

B. ESTABLISHMENT AND AUTHORITY:

NRS Chapter 353B establishes the College Savings Plans, which include both the Nevada Higher Education Prepaid Tuition Program ("Prepaid Program") and the Nevada College Savings Program ("College Savings Program"), each under the authority of the Board, along with the associated Prepaid Program Trust Fund ("Prepaid Trust Fund") and the College

Savings Program Trust Fund ("College Savings Trust Fund"), which are administered independently of each other.

The Prepaid Program is administered by the Board, and NRS 353B.150 and NRS 353B.160 designate the State Treasurer as the administrator of the Prepaid Trust Fund, and specify types of investments which may be purchased and the related constraints on how the Prepaid Trust Fund is to be administered.

At the Board's discretion, the administration of the College Savings Program can be delegated to the State Treasurer, per NRS 353B.310 and NRS 353B.320, however the College Savings Trust Fund is to be administered by the State Treasurer per NRS 353B.350, which shall include the creation of separate accounts as needed. NRS 353B.370 grants the Board latitude in dictating how College Savings Trust Fund assets are to be invested, which may include the selection of an Investment Manager(s) and/or mutual funds, and the selection of a Program Administrator(s). The Program Administrator, who may contract directly with Investment Manager(s), shall report directly to the State Treasurer in the administration of the College Savings Trust Fund, but otherwise to the Board in the administration of the College Savings Program as a whole. The Program Administrator for the College Savings Program will not have any responsibility for the administration of the Prepaid Program or the Prepaid Trust Fund.

To the extent that there is any conflict between i) this Investment Plan (including any attached documents) and ii) any contractual relationships among any Program Administrator, any Investment Manager, and/or the Board, such contractual relationship(s) will take precedence.

At the discretion of the Program Administrator and with the approval and consent of the Board, College Savings Program investments may be sold directly to account owners, or indirectly through financial advisors, or both.

II. Nevada Higher Education Prepaid Tuition Program and Trust Fund: Investment Plan and Policies (NRS 353B. 010 – NRS. 353B.190)

Under NRS 353B.160 the Board may authorize the Treasurer to invest the property of the Trust Fund within the criteria established. In addition the Board is charged with creating a comprehensive plan that specifies the policies for investment which the State Treasurer must follow in administering the Prepaid Trust Fund.

A. RESPONSIBILITIES:

Board: The Board will specify policies for the administration of the Prepaid Program and the Prepaid Trust Fund, design and modify Prepaid Program contracts, and administer the financial reporting, auditing, and actuarial analysis of the Prepaid Program. No less

frequently than annually, the Board will determine a required investment rate of return on Prepaid Trust Fund assets, which will be used as a basis for determining the pricing of new prepaid tuition contracts, in light of projections for tuition rates, etc.

State Treasurer (which may include other members of the State Treasurer's Office, as delegated by the State Treasurer): The State Treasurer will administer the Prepaid Trust Fund in a manner consistent with the constraints imposed by the Code, NRS 353B.160, and will be more restrictive if so dictated by any Investment Policy(ies). The State Treasurer will also maintain any accounts, documents, and financial records relating to the administration of the Prepaid Program and Prepaid Trust Fund, and contract with vendors for any goods or services that are necessary in the administration of the Prepaid Trust Fund.

Investment Manager(s) (if any): The Investment Manager will manage the Prepaid Trust Fund in accordance with the Code, the NRS, any Investment Policy(ies), and at the direction of the State Treasurer, will meet the Board's objectives and support the State Treasurer's recordkeeping requirements. Each Investment Manager will:

1. Manage Prepaid Trust Fund assets such that activity is consistent with constraints established by the NRS, the State Treasurer, the Board and any Investment Policy(ies);
2. Monitor and rebalance, as needed, the allocation of Prepaid Trust Fund assets to ensure adherence to targeted allocations (if any);
3. Provide performance reports to the State Treasurer and the Board, no less frequently than quarterly;
4. Develop internal policies for reviewing, monitoring, and refining investment performance, to meet the objectives of the State Treasurer and the Board and to conform to any Investment Policy(ies); and
5. Employ qualified fund managers, custodians, and investment advisors.

B. INVESTMENT OBJECTIVES:

The primary goal of the Prepaid Trust Fund is to earn, over time, an investment rate of return which is determined by the Board and renewed no less frequently than annually, and shall involve:

1. Maintaining an optimal balance between investment returns and risk;
2. Tracking an investment time horizon that is appropriate for the expected payout profile for the Prepaid Program;
3. Achieving an investment rate of return no less than the rate of return required by the Board and used in the determination of tuition contract rates;
4. Accepting short-term investment return volatility in exchange for anticipated larger net gains over the investment time horizon;
5. Creating an investment program consistent with NRS and Investment Policy(ies), which is viewed as appropriate and prudent for a college savings plan; and
6. Providing for the anticipated and unanticipated liquidity needs in the day-to-day operation of the Prepaid Program.

C. ASSET ALLOCATION:

At the discretion of the State Treasurer, the Prepaid Trust Fund shall be managed either directly or through an Investment Manager(s), selected by the State Treasurer and approved by the Board, in accordance with the restrictions set forth in NRS 353B.160 and, at the discretion of the Board, will follow asset allocation targets which will be no less restrictive than what is dictated by NRS.

This asset allocation requirement (which includes asset type as well as constraints on exposures by asset type) will take into account the financial characteristics that establish the appropriate balance of risk versus return to achieve the objectives of the Prepaid Program. Pursuit of this goal will take into consideration a variation in the beneficiary investment horizon ranging from three to 18 years. Asset allocation targets for the Prepaid Trust Fund, as a whole, will be reviewed and set by the Board no less frequently than annually.

D. STANDARD OF CARE:

According to NRS 353B.160 (3), the State Treasurer shall exercise the standard of care in investing the property of the Prepaid Trust Fund that a person of prudence, discretion and intelligence would exercise in the management of his own affairs, given the prevailing circumstances, not in regard to speculation but rather to the permanent disposition of the property, considering the potential income from, and the probable safety of, his capital.

E. INVESTMENT REVIEW:

No less frequently than quarterly, each Investment Manager will collect performance data on assets held in the Prepaid Trust Fund and report this performance and the performance of the associated benchmark(s) to the State Treasurer and the Board, in a format suitable to the Board. Any performance shortfall versus the benchmark(s) will be noted and reviewed by the State Treasurer, who may additionally provide recommendations for further review, investigation, or heightened monitoring of the asset holdings in question on behalf of the Board, and will administer such activities. Any directives issued by the State Treasurer to the Investment Manager(s) in the administration of the asset holdings shall be approved by the Board.

No less frequently than annually, the Board will oversee an independent audit of the Prepaid Program and review investment performance. In addition, the review will include an actuarial analysis, all of which may result in ongoing Board-imposed refinements to the Prepaid Program. The actuarial analysis will be integral in determining the required investment rate of return on Prepaid Trust Fund assets and, therefore, the asset allocation.

F. COMPLIANCE MONITORING:

The Board may determine that it is necessary and reasonable to develop an investment compliance and monitoring committee, and/or delegate such a role to the same Delegate established for the College Savings Program under Section D of the College Savings Program Policies "PERFORMANCE MONITORING" (below). Such activities of this committee or the Delegate would include the goal of monitoring and reporting to the Board on issues directly affecting the prudent administration of the Prepaid Trust Fund on behalf of the Board and the other Prepaid Program stakeholders, and will perform in a manner consistent with generally accepted standards of fiduciary responsibility. The Program Administrator in the College Savings Program would not have responsibilities in this area as it relates to the Prepaid Program.

II. Nevada College Savings Program and Trust Fund: Investment Plan and Policies (NRS 353B.300 – NRS 353B.370)

Under NRS 353B.370, the Board may invest or cause to be invested any proceeds in the College Savings Trust Fund in any manner reasonable and appropriate to achieve the objectives of the College Savings Program, exercising the discretion and care of a prudent person in similar circumstances with similar objectives. The Board shall consider the risk, expected return, term/maturity, diversification, liquidity, and anticipated cash flows into and out of the College Savings Trust Fund.

A. RESPONSIBILITIES:

Board: The Board will operate the College Savings Program in compliance with the Code, NRS, and, where more restrictive, any Investment Policy(ies). The Board will also ensure that the Program Administrator and Investment Manager(s) (both described below) are similarly in compliance with the Code, NRS, and any Investment Policy(ies). The Board will:

1. Implement a comprehensive investment plan for the College Savings Program;
2. Establish criteria and select an Investment Manager(s), mutual funds, or other such entities or vehicles for investing College Savings Trust Fund assets;
3. Employ personnel and contract for goods and services necessary for the effective operation of the College Savings Program;
4. Review, approve, and/or modify the Program Administrator's annual investment review;
5. Review the investment performance of the Investment Manager(s) or equivalent, and review any changes in benchmarking;
6. Develop appropriate college savings investment options and programs for account owners/beneficiaries;

7. At its option, create and empower a monitoring and compliance committee or equivalent which shall report to the Board and serve as a Board designee, in the sole discretion of the Board; and
8. No less frequently than annually, approve or disapprove all investment vehicles.

State Treasurer (which may include other members of the State Treasurer's Office, as delegated by the State Treasurer): The State Treasurer will administer the College Savings Trust Fund, establish accounts as needed, and accept and expend on behalf of the College Savings Program any monies provided for expenses. The State Treasurer will:

1. Conduct reviews of proposed actions and requests from the Program Administrator and Investment Manager(s) (or equivalent), and present recommendations to the Board;
2. Review Investment Manager(s) (or equivalent) reports with a special consideration of benchmarking (i.e., performance relative to benchmarks and the appropriateness of the benchmarks); and
3. Report to the Board on any underlying investment options available to account owners / beneficiaries which have been determined to be on Watchlist status (as described below), or removed from Watchlist status.

Program Administrator: In accordance with NRS 353B.370 (8), the Board has determined that it is necessary and reasonable to retain a professional program administrator to manage the College Savings Program and contract with Investment Managers with the consent of the Board. Under the College Savings Program, the Program Administrator has certain fiduciary responsibilities as defined by its management contract with the Board and by law. The Program Administrator (which by current contract may be referred to as "Program Manager") and any of its affiliates (taken as a whole) will:

1. No less frequently than annually, in concert with each Investment Manager independently, prepare an audited accounting and investment review, which shall include an asset allocation review and any proposed changes to the underlying investments, benchmarks, etc.;
2. Inform the Board of any changes to any benchmarks or material changes in objectives by any underlying mutual funds in the College Savings Program that aren't directly voted on by the Board, in a reasonable time after the Program Administrator learns of such changes;
3. No less frequently than quarterly, along with each Investment Manager, collect performance data for the investments and present a performance report of individual plans available to account owners/beneficiaries, in a format acceptable to the Board;
4. No less frequently than monthly, if requested by the Board and State Treasurer, provide reports as permitted by the contractual relationship and in a format acceptable to the Board and reasonably agreed to by the Program Administrator;
5. No less frequently than quarterly, provide reports to the Board and State Treasurer, all as permitted by the contractual relationship and in a format acceptable to the Board and reasonably agreed to by the Program Administrator;

6. Coordinate, manage, and oversee the Investment Manager relationship(s), which will include performing due diligence and advising the Board of issues and concerns, and in particular will determine when any investment will be placed on or removed from Watchlist status, using criteria determined jointly between the Program Administrator and the Board's designated surveillance function;
7. Maintain the Watchlist and provide status update reports to the State Treasurer and the Board no less frequently than quarterly;
8. As quickly as reasonably possible, notify the State Treasurer and the Board of any adverse changes in Watchlist status;
9. Review, analyze, and develop guidelines in the College Savings Program, relating to asset mix, age bands, etc., and recommend changes (if any) in individual plans for the Board's review and approval, no less frequently than annually;
10. Provide any additional customized reports as contractually permitted and as reasonably requested by the Board or State Treasurer in consultation with the Program Administrator and relevant Investment Manager(s);
11. Employ a qualified Investment Manager(s) to manage investments in the College Savings Trust Fund;
12. Review investment proposals from the Investment Manager(s) to ensure compliance with contractual obligations as well as Code, NRS, and any Investment Policy-related constraints;
13. Monitor ongoing adherence to Code, NRS, and any Investment Policy-related constraints;
14. Develop appropriate college savings investment options and programs for account owners / beneficiaries for consideration by the Board, and manage those programs as directed by the Board; and
15. Take action as directed by the Board to modify the College Savings Program, which may include (but not be limited to) the termination or hiring of an Investment Manager or the elimination or addition of an investment option, all consistent with constraints imposed by the Code, NRS, any contractual relationship(s) with the Program Administrator, any relevant policy(ies), and/or any contractual relationship between the Program Administrator and the Investment Manager(s).

Investment Manager(s) (if any): The Investment Manager will manage assets of the College Savings Trust Fund, on a non-commingled basis across various individual College Savings Program plans, in a manner consistent with Code, NRS, and/or any relevant policy(ies). This will include:

1. Providing a range of investment options for account owners and beneficiaries, and also provide support relating to administration, distribution and customer service, per the terms of any contracts with the Program Administrator and as approved by the Board;
2. Managing College Savings Trust Fund assets in a manner consistent with criteria established by the Board;
3. Investing, monitoring, and rebalancing College Savings Trust Fund assets as needed to ensure adherence to any target allocations;

4. Providing performance reports through to the Board no less frequently than quarterly or as requested by the Board;
5. Developing proprietary policies for reviewing, monitoring, and refining investment performance to meet Board objectives; and
6. Employing qualified fund managers, securities custodians, and investment advisors.

B. INVESTMENT OBJECTIVES:

The primary goal of the College Savings Program is to provide eligible participants with a range of investment options for accounts held in the College Savings Trust Fund, and to employ a qualified Investment Manager(s) to administer the investments. The investment options made available to beneficiaries and account owners shall be selected and managed in accordance with the contracts between the Investment Manager(s) and Program Administrator, the Code, NRS, and any applicable policies. As such, the College Savings Program taken as a whole shall seek to achieve the following objectives:

1. Meet the various educational savings needs of account owners and beneficiaries;
2. Provide investment options which, first and foremost, are consistent with the objectives of the College Savings Program, and within that constraint, encompass a range of expected risk and return opportunities, to allow for an expected rate of return commensurate with an expected level of risk to meet the investment goals of account owners and beneficiaries;
3. Provide a range of investment options and College Savings Program flexibility that take into consideration risk tolerances, investment objectives, the age of the account owner, the age of the beneficiary, etc.;
4. Strive to include "low-cost" funds within the Program, and in general assess the relative operating costs of a fund against the relative benefit of utilizing that specific fund in the College Savings Program;
5. Consider and potentially include investment vehicles which are not mutual funds; and
6. Strive to be competitive with alternative investment options, and with terms and investment choices which are easily communicated to, and understood by, account owners.

C. ASSET ALLOCATION:

The underlying investments in the College Savings Trust Fund shall draw from the following broad asset classes:

1. Short-term marketable debt securities
2. Fixed-income securities
3. U.S. equity securities
4. International equity securities

5. Bank certificates of deposit
6. Stable value investments

The underlying investment vehicles of the College Savings Trust Fund shall be limited to mutual funds, exchange-traded funds, stable value investments, and/or direct holdings of bank certificates of deposit. Investment instruments or asset classes which differ materially from these broad categories would necessitate a revision to this Policy. The Board may establish guidelines for the development and structuring of the College Savings Program investment alternatives, which may include specific prohibitions on certain investments, limits on asset / asset class exposures, various risk constraints, benchmarks, and investment return objectives.

There will be no categorical prohibition against the use of derivatives and/or other forms of leverage in mutual funds or exchange-traded funds. However the Board will consider a particular fund's policies and activities in these areas as part of a more general screening and surveillance of mutual funds. Similarly, "funds of funds" and short-selling will not be categorically prohibited. To the extent that less conventional activities or instruments or techniques are permitted in the College Savings Trust Fund, the Board in its discretion will apply special surveillance to protect against abuse, all in the interest of ensuring a continuing appropriateness for College Savings Program objectives.

D. PERFORMANCE MONITORING:

The Board may determine that it is necessary and reasonable to develop an investment compliance and monitoring committee, and/or delegate such a role to the State Treasurer and/or a Program Administrator, and/or retain a consultant to advise the Board with regard to the investment and compliance activities of the Investment Manager(s) (in any case, the "Delegate"). The Delegate would be charged with the goal of monitoring and reporting to the Board on issues directly affecting the prudent administration of the College Savings Program, on behalf of the Board and other College Savings Program stakeholders, and will perform in a manner consistent with generally accepted standards of fiduciary responsibility.

The investment options will be selected and monitored with the skill, care, and diligence of a prudent person acting in a like capacity, familiar with such matters and in accordance with all applicable laws and policies of the Board. All decisions made on behalf of the College Savings Program will be for the sole benefit of the account owners and beneficiaries. The Delegate will monitor the investments and may make informal recommendations to add, remove, or change the investment options to the Board as may be appropriate, and will be responsible for the following:

1. Providing general investment advice to the Board;
2. Monitoring and review the Investment Manager(s), fund managers, and other service providers of the College Savings Program;

3. Making recommendations on investment options, policies, objectives, and strategies, including asset allocation and compliance monitoring, all consistent with the objectives of the College Savings Program;
4. Monitor the Investment Manager(s), their investment performance, and their adherence to the requirements imposed by the NRS, the Board, and any relevant policies which shall have been made fully available to the Investment Managers(s); and
5. In conjunction with the Program Administrator, develop criteria for the determination of Watchlist status.

E. WATCHLIST:

The Program Administrator and the Delegate shall prepare a separate evaluation, no less frequently than quarterly, which shall indicate whether any specific investment, or Investment Manager, across the College Savings Program, merits Watchlist status or any change in its current Watchlist status, and will include the timing of any status change and the reason for the change. Additionally, the Program Administrator and the Delegate may include any relevant recommendations relating to Watchlist status. Any investment or Investment Manager on Watchlist status may have unique reporting requirements while it is on Watchlist status as reasonably requested by the Board. This Watchlist reporting shall be provided to the Board.

The Program Administrator and Delegate, in their sole judgment, shall jointly determine the criteria for an investment fund or Investment Manager to be placed on, or removed from, Watchlist status, and such criteria need not be strictly objective, or formally codified in a policy document.

F. INVESTMENT REVIEW:

The Investment Manager(s) and the Program Administrator will jointly present investment reviews for each of the Investment Manager's segment of the College Savings Program, on an annual basis or more frequently as requested by the Board, consistent with contractual requirements, if all parties consider it to be prudent and reasonable. These reviews will include any proposed (by any party) changes to approved benchmarks, the investment menu, asset mix, fees, etc. Proposed changes will be previewed by the Delegate and the State Treasurer prior to presentation to the Board, and this preview may result in changes to the presentation, any proposals, etc. However the Board will retain the final decision-making authority to accept, reject, request modification, or defer any recommendations. Updates to all disclosure and customer documents to reflect approved changes will be reviewed and approved as appropriate by the State Treasurer.

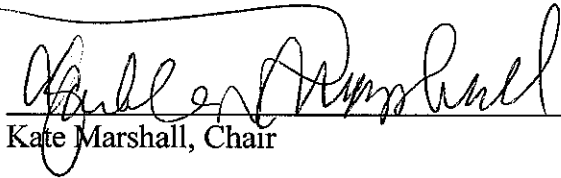
G. ADOPTION AND REVIEW OF POLICY

The Board will review this Policy at least once every two years. Changes can be made at any time to this Policy to the extent such changes would be in the best interest of the Account Owners and beneficiaries; however changes are expected to be infrequent, as they will reflect

long-term considerations, rather than short-term changes in the financial markets. The State Treasurer's Office will communicate any proposed modifications in writing on a timely basis to interested parties, including the Program Administrator and Investment Managers, who shall have a reasonable amount of time to respond to such proposals.

Adopted this 19th day of August, 2009

BOARD OF TRUSTEES, COLLEGE SAVINGS PLANS OF NEVADA



Kate Marshall, Chair